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HOSPITAL AND TRAINING SCHOOL ADMINISTRATION

IN CHARGE OF

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HOSPITAL BILLS AND ACCOUNTING

SECOND PAPER

Upon first taking up her duties, the average nurse superintendent of a hospital feels averse to giving the necessary time and thought to the financial affairs of her institution. Hitherto all her hospital days have been given to the more immediate care of the sick. In her mind the need has always justified any supply; if her patient required a swathe and there was none at hand, she has considered it no misappropriation to use a fine pillow case for the purpose, or if the patient found the bed gown hard to don, it seemed altogether wise and proper for her to give it a tear sufficient to afford the ease required. A few short weeks or, it may be, only days, in her new position and the scales fall from her eyes so that she is able to see with a new sight. She is no less desirous that her patients have the best there is and *all* the opportunities for ultimate recovery, but she now knows that in order to secure them for him she must conserve her forces; she must know her financial ability and if possible increase it.

She therefore makes a study of hospital economy, at least for her own institution, and very soon concludes that her former procedures were wrong and not calculated to promote the ends sought now, as certainly as then. She would make her limited resources do all the good they possibly can to as many patients as possible. Her thought and study and inquiries bring her to the conclusion that eternal vigilance is required and she proposes to exert it. She will henceforth regulate the hospital expenses somewhat according to its financial ability.

Naturally on account of the high cost of living she turns her attention to food supplies which, strange as it may seem, always receive the first cut whenever retrenchment is required. She knows the intents and purposes of food and she soon notes that much of her supply has not been accomplishing the purpose, and could easily be curtailed. Accordingly, condiments are cut. Real foods are supplied for their

nutritive qualities, rather than for their mere taste or rarity. The market is watched for even the staples and they are procured when the price best suits the financial condition of the institution. Knowledge of market conditions and advice regarding purchases may be obtained from the known reliable dealers who rarely take advantage of the hospital purchaser depending upon them. Experience with dealers has proved that they are quite as apt to be honest and helpful as the hospital superintendent herself. They frequently reply thus: "Yes, we have prunes, but you would better not buy them till next week, because," etc., etc., or, "Yes, we can sell you canned goods of such and such brands, but you will hardly want to afford them, they will be better and cheaper a little later." Trusting that dealer, soon becomes a habit, because he is rarely mistaken and never selfish in giving advice.

The judicious purchase of fruit and vegetables in season indicates sounder judgment than would the purchase of an equal amount of canned goods. Having made the purchases it stands to reason that they must be properly prepared and cared for, lest the expense be increased. Such care is somewhat dependent upon cold storage facilities. If they are few, or lacking, the quantity of perishable goods kept on hand must necessarily be limited.

The statement used to be made upon authority that subsistence supplies furnished a hospital at the average per capita cost of 36 cents daily, or less, was economy, and that anything beyond that must therefore be extravagance. In these days when all articles of food are to be obtained only at high prices it would seem that this rule can hardly prevail and it is difficult to know just what the daily per capita cost of subsistence supplies should be.

To the purchase of food supplies must be added others, as for instance, medicines and drugs, the cost of which may be somewhat curtailed by buying not oftener than once a month. At least the cost of cartage and expressage will be saved in this manner, and the cost of the drugs themselves may also be lessened somewhat, because it is possible when buying in quantities to get wholesale prices.

If the hospital is small and is without a registered pharmacist, the drugs should be bought in such form as to make them easily dispensed, thus keeping within the law of the state and within the zone of safety. Prescriptions should be compounded only by an apothecary or a pharmacist.

Surgical instruments are purchased upon the recommendation of the surgeons, or of a committee of physicians and surgeons chosen for that purpose. It is too important a task to be relegated to the aver-

age nurse superintendent, or ordinary purchasing agent, since it is impossible always to know just what is required, the surgeons themselves not being sure of their own wants and necessities.

Gauze and cotton are more economically secured upon contracts which should be made after a good deal of deliberation and inquiry among the dealers as to prices. The custom in large institutions of advertising for bids is the same as an inquiry for prices by the hospital of smaller size. Contracts are usually made for a year, and there has never been any difficulty in securing them until within the present year, but now all firms that have hitherto made contracts with the hospitals are declaring their inability to see ahead far enough to justify them in making a contract for more than three or six months.

All laundry supplies may well be purchased by contract, although the average small hospital is not considered of sufficient importance by the dealers for them to offer great advantages to these institutions. As a matter of fact, the smaller hospital uses comparatively little of each particular article and as the dealers usually make specialties of one or two articles they do not seek contracts from them.

Water, ice, gas, and electricity will be paid for at the rates imposed by the city or firm furnishing them.

Services must also be considered commodities for which salaries and wages are paid, the same care being taken to secure value received for the hospital as is shown in getting any other.

Having made the purchases and expended the hospital's money, it is the responsibility of the superintendent to see that all accounts are properly checked, that the goods charged for have really been received, that the quantity and the quality are correct, that the prices charged are correct, and also that the bills themselves add up correctly. It then becomes necessary to classify these expenses under the various headings which are required by the hospital's form of bookkeeping. The following is a form of distribution of expenses used by some hospitals and while simple, it has been found to be useful and satisfactory:

DISTRIBUTION

General expenses

1. Salaries and wages
2. Stationery, printing and postage
3. Express
4. Telephone
5. Miscellaneous

Housekeeping

6. Salaries and wages
7. Provisions, groceries, etc.

8. Water
9. Ice
10. Fuel
11. Gas
12. Miscellaneous sup., fur. and repairs

Buildings and grounds

13. Salaries and wages
14. Repairs, additions and alterations

Engineer's department

15. Salaries and wages
16. Fuel
17. Water
18. Steam plant supplies and repairs
19. Electric plant supplies and repairs
20. Miscellaneous supplies

Laundry

21. Salaries and wages
22. Water
23. Appliances and repairs
24. Miscellaneous supplies

Medical and surgical

25. Salaries and wages
26. Ambulance and carriages
27. Medicines, stimulants, foods, etc.
28. Instruments and repairs, appliances
29. Miscellaneous supplies

Orthopedic department

30. Salaries
31. Miscellaneous supplies

Training school

32. Salaries
33. Miscellaneous supplies

X-ray department

34. Salaries
35. Miscellaneous supplies

Ambulance

36. Salaries
37. Repairs
38. Miscellaneous supplies

The value of this system can hardly be overestimated. The invoices are filed away alphabetically, that they may be referred to at a mo-

ment's notice. Comparisons of the present day expenses and those of the past are constantly being made and thus a check upon undue expense is possible. Comparisons as to quantity required, are made from time to time, for which the back invoices are most useful, as well as in the consideration of new contracts.

The invoices and accounts will doubtless have to be submitted, for approval, to the committee appointed for that purpose, which will, upon their approval, order them to be paid by check. In the payment of their bills many hospitals use a voucher check which is a receipt in itself, signed and dated, and has been found most satisfactory. An ordinary check is, of course, a receipt, but it acknowledges only the receipt of the money and in no way states why or for what it was paid. The voucher check itemizes the bills with dates, amounts, and any deductions or changes required, and also states that the whole has been paid as appears thereon. It obviates the necessity of sending the invoices to dealers for signatures of "Received Payment" and naturally relieves them from returning the same, thus saving time and postage for dealers as well as institutions. Some hospitals utilize the reverse side of the check and keep thereon the list of distribution or classification of expenses as noted above; this plan has been found to be a distinct advantage to the auditor at the end of the fiscal year.

The simplest form of filing is the best, and one found to be satisfactory is that of placing each dealer's invoice in his own separate folder and filing it all away in the cabinet for that purpose.

The credit of the institution will be preserved by the prompt payment of bills and other obligations.

Success will be assured if wise discrimination be used in determining the real needs of the hospital and if due economy be observed in purchasing, distributing, and using all supplies; and the hospital will be much more apt to have money for everything needed, though it should never have one cent to waste.